

USAID UKRAINE LAND TITLING PROJECT

Date: July 3, 2002

To: Mr. Bohdan Chomiak, CTO, USAID/Kiev
Mr. Oleksandr Muliak, Activity Manager, USAID/Kiev

From: Stevan Dobrilovic, Chief of Party
Chemonics International, Inc.

cc: Lou Faoro, Chemonics International, Inc.

Re: Monthly Report for June 2002 and Quarter 2 Report for 2002

I. PROGRESS ON OVERALL OBJECTIVES

Progress of the Project in the four main areas of work is described below.

a) Agricultural Land Titling

As defined in the work plan, the Project team is working on the following issues:

Tier 1 and 2 Tenders for Preparation of State Acts

Land surveying and preparation of State Acts for Tier 1 and Tier 2 Tender work areas is continuing. At this time the Project has 40 contracts in progress covering approximately 378,000 State Acts (land shares). A large number of tender packages from the Tier 2 Tender (32 packages covering approximately 320,000 State Acts) remain open because no firms bid on these packages. In May and June the Project team recommended the actions described in detail in the Problem section below to USAID in an effort to accelerate the work on these open tender packages. USAID has not communicated its formal answer to the Project team on any of these issues, resulting in the delay of work on agricultural land titling. **Please see Section III on Problems for more detail on this matter.**

Tier 3 Tender

The ULT Project announced its third tender in June 2002. The tender includes 44 tender packages for 452,765 Land Shares. The deadline for responses from private firms is July 10, 2002. After this time, the Project team will examine the bids and invite firms to negotiate contracts with the Project. Many of the packages in the Tier 3 Tender are those not filled in the Tier 1 and 2 Tenders. Table 1 below shows the oblasts in which the tender has been announced and the number of land shares covered in each oblast.

Table 1: Tier 3 Tender – No. of Packages and land Shares Covered

Oblast	No. of Tender Packages	Land Shares Covered
Chernigiv	3	30,099
Chernivtsi	7	70,380
Ivano Frankivsk	3	27,948
Kharkiv	6	60,559
Kherson	8	85,575
Lugansk	6	61,665
Rivne	8	79,510
Ternopil	1	13,227
Zaporizia	2	23,802

Pre-Prepared State Acts

Pre-prepared State Acts finalized with financial support from the ULT Project total 214,597. As described in previous reports, the Project has conducted site visits to verify that State Acts prepared during this phase of Project are actually being issued (distributed) to land share holders. There are still three contracts for pre-prepared State Acts that are in process totaling approximately 18,000 State Acts. The team expects the contracts to be completed in July 2002.

Verification Activities

Representatives from the regional and central ULTI offices continue to verify the technical work for all land titling contracts. Contracts for work from the Tier 1 Tender are now beginning to be completed and verification of all aspects of technical work are in process before the Project makes final payment for land titling work.

Collaboration with ULRMC on Purchase and Use of Satellite Imagery

Cooperation between the ULT Project and ULRMC continues to slip. While the first set of imagery for Rivne oblast has cleared customs and is in ULRMC's possession, delays in processing the imagery continue due to questions at the State Service for Geodesy, Cartography and Cadastre regarding secrecy of the information in the images and establishment of ground control points. Please see Section III below for more detail on this problem.

Once the first set of imagery is approved for processing, ULRMC intends to place an order for the remaining imagery. After a careful re-evaluation of the ULT Project needs, the team has decided that imagery will be useful for all oblasts in which the Project is operating, including the three oblasts (Sumy, Ternopil, and Poltava) previously proposed to be excluded due to delays in organizing the imagery purchase. The Project also intends to purchase imagery for the following oblasts: Vinnitsa, Chernigiv, Kherson, Lugansk, Ivano Frankivsk, Chernivtsi, Zhytomyr, Kharkiv, and Zaporizhia. Other possibilities include Crimea, Lviv, Odessa, Cherkassy, Khmelnytsky, and Zakarpattia. Purchase of imagery for these oblasts depends wholly on the interest of the Oblast State Administration to sign a cooperation agreement with the Project. The team does not expect to purchase imagery for Mykolaiv, Kirovograd, Dnipropetrovsk, Donetsk, Volyn, and Kiev Oblast because at this time there is no apparent interest from the Oblast State Administration to cooperate with the Project. As changes in priorities and the level of cooperation occur, the Project will reassess the areas for which it would need imagery.

Cooperation with World Bank on Agricultural Land Titling

The Project team met with World Bank representatives in June on several occasions. During some of the meetings, the two sides discussed a new level of cooperation between USAID and the World Bank if the World Bank Land Titling Project materializes in early 2003. The Bank officials expect to negotiate the project with the GOU in September 2002, after which the Bank would inform USAID whether it is likely that the project will be approved and operating in January 2003. If so, the ULT Project might shift its focus from land titling to legal drafting and policy advice, public information, and legal aid to rural citizens, with additional technical assistance offered to the Project Implementation Unit for the Bank's land titling project. The two sides have already begun to prepare a joint scope of work for assistance to Derzhkomzem in drafting laws and other normative documents required by the new Land Code.

Preparation of Land Titling Instructions

There continues to be no progress on the enactment of the model instructions ("Methodological Recommendations") by Derzhkomzem. On several occasions, team lawyers have requested a meeting to discuss the status of the instructions with Derzhkomzem officials – each time the meeting was cancelled by Derzhkomzem. The team suspects deliberate obstruction by Derzhkomzem in adoption of the instructions. Now the team has concentrated its efforts on enactment of the draft Law on Allocation of Land Shares in Kind as an alternative to the Methodological Recommendations. More detail on this issue is given in the section below on Legal and Regulatory Work.

Cooperation with Swedish NSDI Project to Develop New Parcel Identification Numbering Scheme

Cooperation between the ULT Project and the NSDI team continues. The two teams signed a cooperation agreement and agreed upon a budget and technical terms for the cooperative effort. However, the revisions to the existing concept for cadastral numbering prepared by our joint working group and some Derzhkomzem officials were not adopted by the head of Derzhkomzem. It appears to Project team members that Derzhkomzem as a whole is confused as to what is needed to put together a cadastral numbering system. For example, at a recent meeting in Kiev of oblast heads of land resources departments, a number of different proposals on cadastral numbering were put forward, but no approach was adopted and competition among various oblasts to promote their internal systems continues. The Project will continue its work with NSDI on preparation of a cadastral index map and attempt to implement its concept for a cadastral numbering system through the oblasts in which it works, even though it may not be on a national level.

b) Non-agricultural Land Titling

As defined in the work plan, the non-agricultural land titling component is working on the following issues:

Issuance of State Acts

As of May 31, 2002 (May is the last full month of statistics available at the time of this report) 3,085 State Acts were issued as a direct result of the Project's activities, with 390 State Acts issued in the month (85 percent of the revised monthly target of 460 State Acts). Of these State Acts, 151 were issued on land parcels purchased before August 1, 2001 and 239 on land parcels purchased after August 1, 2001. The total value of land parcels to which State Acts were issued in December is UAH 6.274 million. This month, ten regional coordinators reached at least 90 percent of their monthly targets, and ten regional coordinators failed to reach even 50 percent of their planned monthly target for issued State Acts. Table 2 shown below gives complete data on the number of sales, number of State Acts issued, and revenue generated from land sales by the Project team since it began working in this area in July 2001. Annex 1 to the report shows information on the results of land privatization activity and issuance of State Acts by oblast for the last month.

Thirty-three of the State Acts issued in the last month were for "secondary sales" of non-agricultural land. There is a total of 149 "secondary sales" on which State Acts are issued as of May 31. These sales are significant, because they are evidence that the land and real estate market between private entities is beginning to function. The team will continue to track these private "secondary sales" each month as an indicator of the trend toward the development of the real estate market.

Table 2: Non-agricultural Land Privatization Statistics for May 2002

Number of land privatization sales			Revenue generated from issuance of State Acts (in UAH)	Total Number of State Acts issued with Project assistance	Number of State Acts yet to be issued		
Completed before August 1, 2001	Completed from August 1, 2001 to May 31, 2002				On sales completed before August 1, 2001	On sales completed after August 1, 2001	Total sales
	Installment Sales	Total No. of Sales					
3,740	660	2,845	67,755,283	3,085	1,173	1,147	2,320

The analysis of the sales of land parcels shows that State Acts have not been issued to a large number of previously privatized land parcels (nearly 2,500 parcels). The largest part of this backlog is due to the State Acts not issued on land sales that were completed prior to August 1, 2001; however, it is significant to note that the number of those State Acts is dropping steadily each month, thereby reducing the backlog of State Acts to be issued on these very "old" sales. The Project management has introduced a specific incentive plan for regional coordinators to clear out this backlog and get State Acts issued for the sale of these land parcels.

Managing the network of regional coordinators

As part of its organizational structure, the Project conducts monthly meetings in Kiev for Regional Coordinators. This month's meeting was held on June 19, 2002 at which the Project management covered the following issues:

- Progress toward monthly and quarterly goals for issuance of State Acts.
- Land auction promotional activity.
- Presentation of NALT Impact Study findings.
- Continued discussions on holding educational seminars and distributing public information to newly elected local officials.

Measures to Accelerate the Issuance of State Acts

The NALT Team has adopted a number of actions to accelerate the issuance of State Acts to non-agricultural land over the past few months. First, the team implemented a plan to promote the use of an installment contract under which the State Act to land is issued once the land purchaser makes the initial payment. This installment contract is being adopted by an increasing number of radas that are interested in proceeding with land sales. Raions in six oblasts have already adopted the regular use of the contract and officials in another three oblasts have agreed to begin using the contract immediately.

Second, the team is actively promoting the adoption of local regulations on the procedure for land auctions and tenders. There appears to be great interest in an increasing number of radas throughout Ukraine to move forward with

land auctions and tenders. In May alone, eight radas agreed to begin organizing land auctions and tenders as a means to raise income for the local budgets and accelerate land privatization.

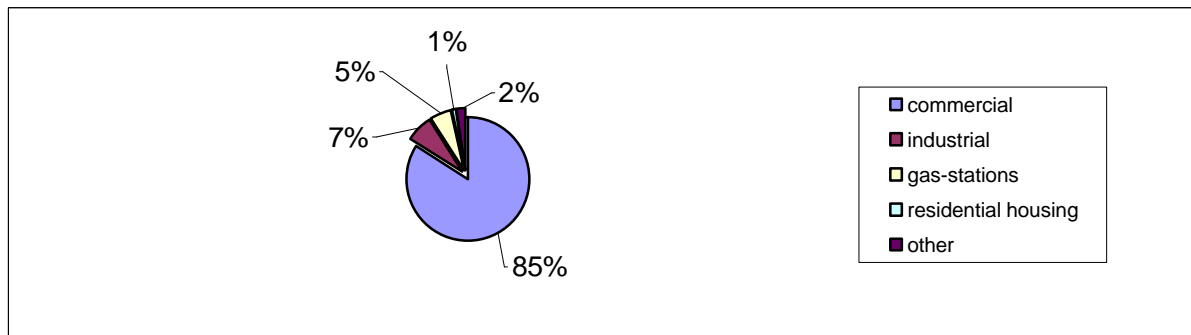
Third, the incentive plan designed to eliminate the backlog of State Acts that are to be issued on land sales that occurred prior to August 1, 2001, has had mixed results. In May regional coordinators produced 151 State Acts on such sales. Unfortunately, only two regional coordinators (from Lviv and Volyn) really took advantage of the bonuses offered as an incentive to clear out the backlog on these sales. In all other oblasts where a large number of such sales remain without issued State Acts, regional coordinators were not successful in getting the State Acts issued.

Overall, the efforts of the NALT Team to accelerate the issuance of State Acts seems to be gaining momentum. Given that in many oblasts, heads of radas in 50-70 percent of the towns are new, it is understandable why few land sale decisions have been made. Nevertheless, the team continues to improve its figures and remains close to reaching its monthly targets.

Statistical Analysis of NALT Efforts to Date

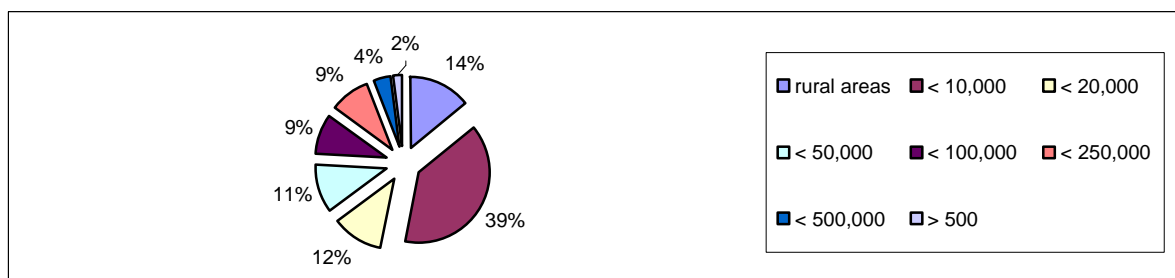
After ten months of activity, State Acts to non-agricultural land were issued in approximately 70 percent of all administrative raions of Ukraine. The largest number of State Acts (2,591) were issued for commercial land parcels of land. Another 223 State Acts were issued for industrial land parcels, 164 for land parcels under gas-stations, 38 for land under residential housing, and 69 for lands of other categories.

Distribution of State Acts by the category of the land parcel



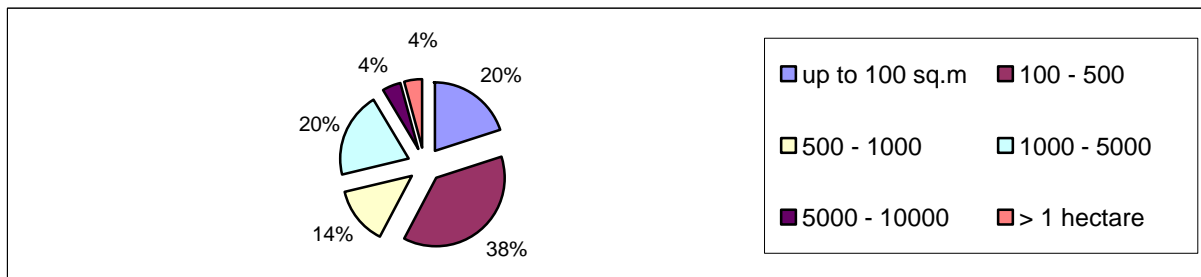
The largest number of State Acts (1,196) was issued in the villages and towns with a population of up to 10,000. The smallest number in cities with a population of more than 500,000.

Distribution of State Acts by size of settlement



The largest number of State Acts (1,154) was issued for the land parcels with the area from 100 to 500 square meters, while the smallest number (132) was issued for land parcels with an area of greater than 1 hectare.

Distribution of State Acts by size of the land parcels



These figures offer some interesting insight into the dynamics of the land sales and progress on issuance of State Acts. There appear to be two groups of oblasts in which there are problems. First, there is a group with a small number of State Acts issued, but comparatively large number of land sales. These oblasts are Chernivtsi, Dnipropetrovsk, Donetsk, Kharkiv, Vinnitsa, and Zaporizia. This fact leads us to believe that there is a problem with the preparation and issuance of State Acts in the oblasts. Second, is the group of oblasts where there is a small number of State Acts issued as a result of small number of land sales. These oblasts are Cherkassy, Crimea, Kherson, Kirovograd, Kiev, Mykolayiv, Odessa, Ternopil, and Zhytomyr. In these oblasts, effort must be made to increase the number of land sales.

Impact Study

On June 27, 2002, the NALT team made a presentation to USAID officials on the findings from the Impact Study. The team made five recommendations to USAID. The recommendations are:

1. Commission a new enterprise land market survey aimed at determining the new universe of land parcels eligible for privatization.

Such a survey must take into account the large numbers of new businesses forming and entering the market in Ukraine and the role to be played by land in these firms. The survey should also be a mechanism for determining the current status and growth potential of the secondary market. In addition, the survey should give a current estimate of potential income to local government budgets that future land privatizations would generate. This has been and will continue to be a strong marketing tool to enlist local government support for land privatization. Finally, such a survey will produce valuable new primary information about the current and future land market in Ukraine.

2. Continue financial support of land privatization for the foreseeable future.

It is not time yet for the project to end. Too much immediately will be lost to the economy and to the formation of a mature land market by assuming government will stimulate continuing reform activity. (Note that the ULTI project generates well over \$ 1,000,000 per month for local budgets through its land sales/titling component. These funds are used for local economic and social development projects.) And, as much and as quickly as USAID programs have impacted, this reform is not occurring fast enough. In determining the specific programs to be funded, USAID should be informed by results of the study recommended above. Economic development will be created by the private sector. It must provide the ingenuity that drives and guides economic growth. Our data demonstrates the important role private land plays in this process. The volume of private land must continue to expand.

3. Create an association of land privatization specialists.

Care should be taken to provide for a carefully planned and managed effort to form this association over time. The structure and form should emerge from within the existing network, and it must plan for self-financing. In the early thinking must be assessment of the role or place of existing related associations. This would include organizations like the associations of realtors and appraisers. Included in the structural components of the new entity should be national and regional land exchanges. Ukraine is larger than France. The land market here should be vibrant and expanding, and should be creating wealth for thousands of people. An effective association can contribute to this.

4. Design a donor technical assistance effort that leads to the creation of financing of land purchase.

This might be done as an USAID effort, donor group consortium, or other suitable initiative. It should include funding or the collection of funding, training of land lending specialists and mortgage managers, coordination with all financial institutions, and technical assistance.

5. *Maximize donor resources by targeting as much assistance as possible to these firms.*

This may create a philosophical problem for USAID and other donors. Surely it will be argued that these firms require no assistance, that others require it more. But it is certain that the limited assistance aid programs can provide can be effective only if it reaches recipients that use it well. We now have a list of 6,000 recipients that will do that. Also certain is that these firms, being entrepreneurial, will accept only assistance they need and will utilize fully. Thus, resources will not be wasted on them.

Site Visits to Regional Offices

The team took three trips during June to visit non-performing regional offices in Poltava, Cherkassy, and Zaporizia. The goal of these trips is to discover the individual circumstances that cause poor performance in issuance of State Acts and attempt to structure a solution that will deal with the unique issues in each oblast. In many of these cases, the poor results are due to radas that are opposed to land sales, or bureaucratic obstacles that delay the issuance of State Acts. In other cases it is simply the lack of knowledge on the part of officials of the benefits of land privatization and how much income can be earned by conducting land sales. The NALT team typically meets with these officials to educate them on benefits of land privatization and explain the procedures involved in privatizing the land. Often times the meetings result in agreed upon plans for implementing land privatization and monthly targets for both the regional coordinator and the oblast department of land resources.

Promotional campaign and training seminars

In June, the regional coordinators continued holding local seminars for enterprise managers and representatives of local government. The seminars on land sales are extremely important at the present time to educate new deputies of the local radas on the issues concerning land privatization. Over the last nine months, the regional coordinators organized many seminars on non-agricultural land privatization in most of the oblasts of Ukraine. These seminars have proved to be effective in motivating local governments and entrepreneurs to privatize land parcels. Each seminar has been covered by the local mass media and press, thereby promoting land sales on the local level to potential buyers. Recently, eight regional coordinators (in Vinnitsa, Zaporizia, Kiev, Crimea, Mykolaiv, Poltava, Sumy, and Chernivtsi) have requested additional financial and organizational assistance to conduct such seminars in July and August.

c) Legal and Regulatory Work

As defined in the work plan, the legal and regulatory team is working on the following issues:

Draft Legislation, Comments, and Position Papers

- Draft Law On State Registration of Rights to Immovable Property (drafted by the Ministry of Justice) has been submitted to Derzhkomzem and other ministries for coordination. Previously, the draft law was considered by the Government Committee of the Cabinet of Ministers and was returned to Ministry of Justice to be revised because of objections on the part of Derzhkomzem, which insists that it should conduct the state registration of rights to land parcels. The legal team worked with representatives from the Ministry of Justice to justify why a unified registry is needed and why the draft law being promoted by the MOJ is appropriate.
- Draft Law On Delimitation of State Owned and Communally Owned Land was originally developed by Derzhkomzem and submitted in May 2002 to the Cabinet of Ministers. However, Derzhkomzem retracted the draft in early June in an effort to fight off the attempt by the mayor of Kiev to establish an independent land resources body in the city of Kiev. Derzhkomzem is now working on adding provisions to retain its authority over the Kiev department of land resources.
- Draft Law On State Land Cadastre was drafted by Derzhkomzem and submitted to the Cabinet of Ministers. The Ministry of Justice prepared a critical legal summary on this draft law, causing the Government Committee of the Cabinet of Ministers to return the draft to Derzhkomzem.
- Draft Law On Appraisal of Land was also drafted by Derzhkomzem and returned to it by the Cabinet of Ministers to be finalized in accordance with comments of the Ministry of Agrarian Policy and Ministry of Justice.
- Draft Law On Land Survey was prepared by Derzhkomzem and submitted to the Verkhovna Rada by the Cabinet of Ministers. The ULTI legal team has substantive comments to this poor draft law that were never taken into account by Derzhkomzem. The team will work with the Agrarian Committee in the Verkhovna Rada to introduce the appropriate changes to the law.
- Draft Law On Allocating Land Shares in Kind prepared by Derzhkomzem was submitted by the Cabinet of Ministers to the Verkhovna Rada in June. The ULTI team has a competing version that it will submit to the Agrarian Committee of the Rada before the recess on July 12, 2002.

- Draft Law On Forced Withdrawal of Privately Owned Land Parcels for Public Purpose (Takings Law) was submitted by Derzhkomzem to the Cabinet of Ministers. The legal team participated in a working group that finalized the draft law for the consideration of the Government Committee of the Cabinet of Ministers.
- New draft Law On Land Lease was prepared by Derzhkomzem. The Cabinet of Ministers returned it to Derzhkomzem for redrafting.
- Draft Law On Land Market. Derzhkomzem is working on new version of the draft law. The draft has not yet been submitted to any authority for comment.
- The Chairman of the Verkhovna Rada's Agrarian Commission, Mr. Tomych, has asked the team to prepare a draft law on protection of rights of land share owners and the draft law on private farmers. He intends to submit these two laws for consideration by his committee prior to the July 12, 2002 recess. Mr. Tomych also intends to present the ULTI version of the draft law on State Survey Expertise to the committee before the recess.
- The legal team prepared an analysis of the Kiev Rada decision on "the issue of managing land resources in the city of Kiev" of May 23, 2002. This decision provided for the establishment of an entity separate from Derzhkomzem by the city of Kiev to manage its land resources

Simplification of Land Titling Procedures

There continues to be no progress on enacting the Methodological Recommendations (Instructions) on land titling and issuance of State Acts. Since Derzhkomzem has made no efforts to discuss or enact the document, the legal team has worked closely with the Agrarian Committee of the Verkhovna Rada to prepare the ULTI version of the draft Law on Allocation of Land Shares in Kind. Mr. Tomych, the chairman of the Agrarian Committee has asked for the final version of the ULTI draft to introduce into his committee before the July 12, 2002 recess of the current session of the Verkhovna Rada. The ULTI draft law competes directly with a Derzhkomzem version of the law that was officially submitted by the Cabinet of Ministers to the Rada in June.

The team believes that it may be useful in some oblasts to promote the enactment of the model technical requirements for land titling. Based on the success in enacting such requirements in Sumy oblast, the Project is asking for cooperation of officials in other oblasts to enact a suitable version of the technical requirements. Recently, the oblast department of land resources in Vinnitsa asked to review our draft as a possible version that will be enacted by the oblast. The technical requirements clarify and simplify land titling procedures and the documentation required for expertise.

Non-agricultural land titling issues

On the basis of the team's analysis of the legal issues related to conducting land auctions by local radas and its model regulation on land auctions and tenders, many towns and cities throughout Ukraine have shown the interest in proceeding with land auctions. More information on the promotion of land auctions is available in the section on Non-Agricultural Land Privatization above.

Establishment of a USAID – GOU working group to address land titling issues

In June, the ULT Team submitted a list of topics for consideration by the group to the Cabinet of Ministers' Coordinating Council for Agrarian Issues. No meeting of the working group has yet been held and no meeting is scheduled for the near future. **It is vital that the working group begin regular meetings to address the issues related to land titling. Numerous delays have stalled the ULT Project's attempts to enact legal reform related to simplification of land titling procedures. The process needs support from a higher-level (such as the working group) to require Derzhkomzem officials to cooperate with the Project in enacting effective norms in this regard.**

Environmental Issues

No further action has occurred on any environmental issues. The ULT Project team, in response to a request from USAID, prepared a implementation plan for the six mitigation measures raised by the Bureau Environmental Officer's April 2002 Initial Environmental Examination (IEE) report. The implementation plan was submitted to USAID at the end of April, and includes a tentative budget describing the cost associated with implementing the mitigation measures.

Other Activities

The legal team met with the staff of the Kiev city Public Prosecutor to explain the provisions of the new Land Code and its implementation. The team also met with rural attorneys associated with the LSU Agricultural Extension Services Project to inform them of land related issues and act as a resource in cases where rural citizens in areas where the LSU lawyers operate have land related questions or problems that need to be resolved. Finally, the legal team

reviewed and prepared the series of letters that will be sent by the Project to each of the authorities in areas where the Project operates. The letters will inform heads of village radas, raion authorities, and oblast officials of the Project's status in the oblast and any problems encountered as it implements land titling work.

d) Public Education and Outreach

As defined in the work plan, the public education and outreach component is working on the following issues:

Project Web-Site

The web-site is still not operational. Delays continue because other issues continually take priority over completion of the web-site content. The team will attempt to finish the site and have it operational in July.

Noteworthy Events this Month

- The Public Education team organized an informational seminar for the UMREP Hotline consultants on June 4, 2002. The ULTI team briefed the Hotline consultants on the Project's activities and answered questions. All parties involved believed the information session was worthwhile and decided to conduct such sessions on a regular basis.
- The team organized a meeting between the Project and the new Governor of Vinnitsa Oblast, Victor Kotsimir, on June 6, 2002. On the same day the team met with the Head of Vinnitsa department of land resources, Olexiy Konnik. At these meetings the coordination of raional seminars and a presentation from the project team at the general meeting of the raion surveyors were agreed upon. The team made its presentation at the general meeting of the raion surveyors on June 14.
- On June 11, 2002 the team traveled to Kharkiv at the request of the US Ambassador to meet with the Deputy Governor, Mykola Bezugliy. Closer coordination of activity between the Project and the Oblast Administration was discussed in terms of public education, Project policies, and implementation of the Project's activities. During the trip the team also met with the Head of oblast department of land resources. At the end of the day, the team participated in the Kharkiv press club to explain the Project and its activities to the press.
- The Project continued to work with the Association of Private Farmers and Landowners as a sponsor of the Private Farmers' Congress on June 14, 2002. On the day of the Congress, the team manned an information booth at the site of the Congress, where Project printed materials were distributed and many questions were answered. The day before the Congress, the team made a presentation on the Project's current activities to the members of the Association.
- On June 19, 2002, the team organized a titling ceremony in Ternopil oblast, Zborivskiy raion, Ostashivska rada. Representatives from USAID including Mr. Christopher Crowley and Dr. Kent Hill attended.
- On June 19, 2002 the team conducted an information seminar for lawyers from the LSU Project. Issues that were addressed included legal questions, technical process of preparing and issuing State Acts, and public information activities.
- On June 25, 2002, the Public Education team conducted a seminar for journalists from raion newspapers, TV and radio companies from Kharkiv, Sumy, Poltava, and Donetsk oblasts. The seminar was organized in cooperation with UMREP and dedicated to legal questions on land privatization and the Project activities. A number of consultants from the Project spoke at the event.
- On June 26, 2002, the team conducted an information seminar for the heads of village radas from Zmivskiy rayon, Kharkiv oblast. The team informed the rada leaders about the Project activities and explained the technical implementation of the project.
- The PE team prepared two television spots for Silskiy Chas television program. The spots aired on June 9, 2002 and June 24, 2002. One spot was dedicated to the titling ceremony in Butsniv village, Ternopil oblast and the other spot to the work of the Project team at the general meeting of the raion surveyors in Vinnitsa.

II. PROGRESS ON MEETING THE MONTH'S GOALS

Agricultural Land Titling

1. Organize and announce the Tier 3 Tender. – *The Tier 3 Tender was announced in June. Bids are due to the project by July 10, 2002.*
2. Conclude negotiations with winning bidders in the Tier 2 Tender. Seek resolution from USAID of the questions related to open tender packages from the Tier 1 and 2 Tenders. Implement the appropriate actions that correspond with USAID's decisions related to the open tender packages. – *The Project negotiated contracts with all winning bidders in the Tier 2 Tender, however a substantial number of tender packages remain open and are now included in the Tier 3 Tender. USAID has not given its formal decision on resolution of outstanding issues related to covering open tender packages, thereby delaying work of the Project on agricultural land titling issues.*

3. Work with the appropriate Ukrainian agencies and NSDI to implement the concept for establishment of a national system for cadastral numbering in Ukraine. – *The project continues to work with NSDI to implement the cadastral numbering system, but Derzhkomzem appears uninterested in moving forward with the system on a national level. The Project proposes to work on an oblast by oblast level to implement the system.*
4. Push for a resolution of the outstanding issues relating to the to approval to process the satellite imagery for the first oblast (Rivne). Place the order for the purchase of imagery for the remaining oblasts. -- *There has been no resolution of the secrecy issues relating to imagery processing due to problems at the State Service for Geodesy, Cartography, and Cadastre. A second imagery order will not be placed until these issues are resolved to the satisfaction of the Project management.*
5. Conclude the cooperation agreement with ULRMC on use and processing of satellite imagery. – *No agreement is concluded due to the problems in processing imagery described above.*
6. Meet with World Bank on coordination of land titling project activities. – *A number of meetings were held in June to discuss cooperation between USAID and the World Bank.*

Non-agricultural Land Titling

1. Continue visits to regional offices to improve NALT performance and issuance of State Acts on land sales. – *The NALT team visited Poltava, Cherkassy and Zaporizia in June to resolve issues related to the poor performance of these regional offices.*
2. Prepare a final written report on the NALT impact study. Make a presentation of the results to USAID. – *The team presented the official report and findings of the impact study at a presentation to USAID on June 27, 2002.*
3. Continue work to implement the model procedure for conducting land auctions in cooperative cities and towns of Ukraine. *The team has identified a number of local radas interested in conducting land auctions.*
4. Conduct local seminars on non-agricultural land sales for enterprises and local governments. *Regional coordinators continue to conduct public information seminars for local authorities and enterprise managers.*
5. Distribute the How-To Manual on Non-Agricultural land sales and issuance of State Acts to local radas and other interested parties. -- *The team distributed the Manual to regional coordinators at the monthly meeting in May. The regional coordinators are now distributing the Manual to local officials in their oblasts.*
6. Continue work to enact and implement the Model Regulation on the Procedure for Non-Agricultural Land Sales and Issuance of State Acts at the local level. – *No movement on this issue occurred in June 2002.*

Legal and Regulatory Work

1. Prepare the topics for consideration of the GOU-US Government working group on land titling issues and implementation of the ULT Project. Work toward scheduling a meeting of the group in June. – *The team prepared and submitted topics for the working group meeting. No meeting is yet scheduled.*
2. Work with the Cabinet of Minister's working group to finalize the draft law "on Withdrawal of Land from Private Ownership"(Expropriation) for submission to the Verkhovna Rada. – *The team has finished its work with the Cabinet of Ministers to finalize the draft law for submission to the Verkhovna Rada. It is likely that the law will be submitted in July 2002.*
3. Monitor developments related to the entire set of draft laws and other normative acts that are required as a result of the enactment of the new Land Code. – *The team prepared a comprehensive report that details the status of all draft laws and regulatory acts on which the team worked since January. The basic information in the report is shown in the Legal and Regulatory Work Section of the monthly report.*
4. Take actions to assess the need for enactment at the oblast level of the model technical requirements for land titling. – *The team is working with Vinnitsa oblast department of land resources to enact technical requirements. Information on the willingness of other oblasts to enact such a normative act is not available yet.*
5. Finalize the strategy for presentation of the draft Law on State Land Expertise to the Verkhovna Rada. – *The team will work with the Agrarian Committee in the Verkhovna Rada to propose this Law in July 2002.*

Public Education and Outreach

1. Organize the distribution of agricultural land titling posters and leaflets in those villages where the project is operating under the Tier 1 and 2 Tenders. – *Activity on distribution has not begun because the project is awaiting a formal decision from USAID on filling open tender packages. This decision will influence the manner in which the information campaign is conducted and the level of work that will be required to implement the campaign properly.*
2. Organize seminars for heads of village radas in Vinnitsa and Lugansk, using the seminars held in cooperation with TACIS in Chernigiv as a model. Work to organize similar seminars in other oblasts where the Project is operating. – *The team continues to work with the oblast administrations in Lugansk and Vinnitsa to hold seminars explaining the Project's activity. No final dates for seminars in these oblasts is set.*

3. Organize Press Clubs in various oblasts where the Project works and intensify the public information campaign on radio and television (the media vehicles that seem to be reaching the public successfully). – *A press club was held in Kharkiv on June 11, 2002.*
4. Hold a seminar for UMREP Hotline telephone operators on legal issues related to land titling and issuance of State Acts. – *The seminar of UMREP Hotline operators occurred on June 4, 2002.*
5. Co-sponsor and take part in the Congress of Private Farmers on June 14, 2002. Conduct a working meeting of the heads of the Private Farmer's Association from the oblasts in which the Project works. – *The Project co-sponsored the Congress on that date and made a presentation about its activity.*
6. Organize Titling ceremony in Ternopil oblast on June 19, 2002. – *The team organized this ceremony, which was attended by Dr. Kent Hill and Christopher Crowley (USAID representatives), as well as local officials and media. Some 450 individuals were given their State Acts as a result of USAID's land titling efforts in the village.*

III. SIGNIFICANT ACCOMPLISHMENTS, PROBLEMS, AND OTHER ISSUES

Significant Accomplishments

Titling Ceremony in Ternopil – June 19, 2002

The ULT Project organized a titling ceremony for USAID officials in the Ostashivska village in Zboriv raion, Ternopil oblast. Representative from the USAID (Dr. Kent Hill and Christopher Crowley) along with other USAID Kiev representatives attended the ceremony at which land share holders received their State Acts as a result of assistance from the ULT Project. The State Acts prepared for this village are among the first issued from the Tier 1 Tender for land titling work. A television crew from Ternopil attended the titling ceremony and broadcast information about the ceremony to the general public.

Information Seminar for Journalists from Eastern Oblasts

On June 25, 2002, the public education team held a seminar for rural journalists from eastern oblasts of Ukraine. Journalists from Kharkiv, Donetsk, Sumy, and Poltava attended the information seminar at which project representatives explained in detail the activities of the project and how ULTI supports the issuance of State Acts to land share holders. Approximately 50 journalists attended the one-day seminar in Kharkiv.

Completion of the NALT Impact Study and Presentation to USAID

On June 27, 2002, the Project team made a presentation of the results of the NALT impact study to USAID representatives. At the presentation, the team also handed out the final report on the study. More information on the impact study is given in the Section above on Non-Agricultural Land Titling Work.

Problems

Lack of Resolution of Outstanding Issues Related to Land Titling

In April 2002, the Project made a presentation to USAID officials (including Mission Director Chris Crowley and Deputy Director Alexi Panahal) on some of the important issues that are affecting implementation and achievement of the Project's task order objectives. At that time, the Project explained that due to poor response to the Tier 2 Tender, a substantial portion of land titling work would be delayed, and requested that the team be allowed to adopt alternative measures to secure private firms to conduct land titling work. The Project team proposed the following measures:

1. To begin direct negotiations with known private survey firms on contracts for open work areas. The Project team is confident that by contacting private firms directly it can convince some firms to enter into contracts for open work areas. This strategy is likely to minimize the delays associated with public re-tendering of open work areas. Announcing the tender again in newspapers and extending the deadline for bids, will result in at least a 45-day delay in signing contracts and additional delays in starting survey work. Also, there is no guarantee that the Project would be successful in attracting private firms to bid by re-announcing the tender. Therefore, to minimize delays in starting work in these areas the Project proposes to enter into direct negotiations with known private survey firms that it believes would be willing to sign contracts.
2. To offer additional work to firms that have already signed contracts with the ULT Project. The Project team proposed to increase the number of State Acts (land shares) to be prepared under its existing contracts by 10 to 15 percent. This strategy would minimize the loss in the total number of State Acts under preparation that results from the poor response to the Tier 2 Tender, helping the Project keep on track to meet its quarterly targets for issued State Acts. Since it is not likely that the Project will be able to secure contracts for all open tender packages in the Tier 2 Tender in the immediate future, the addition of work areas to its existing contracts will help to compensate for the delay in starting work on open tender packages.

3. To increase the price that the Project will pay for land titling to \$6.60 per land share. As a result of the verification site visits the Project team has learned that survey firms are collecting money from land share holders in violation of its contractual terms with the Project because the real cost of titling is more than the Project has agreed to pay. While this fact is not a valid excuse for a firm's actions, it brings into the open some of the main issues regarding the payment from the Project to its private survey firms. Consequently, the Project proposes to increase the payment per land share from \$4.00 to \$6.60 (not tying the increase in payment previously approved by USAID to the number of State Acts prepared per land share). A memo dated June 5, 2002 and submitted to USAID on a number of occasions explains in detail the rationale for this proposal.

As of this date, the Project has not received a formal decision from USAID on any of these issues. Already, a critical period of two months has passed during which land titling work could have been conducted. It is clear that these delays have placed achievement of the task order requirements in the period of time that was originally allocated for the Project to operate in serious jeopardy. USAID needs to make a decision on each of these matters immediately to avoid continued delays in meeting the Project's goals.

Problems with Processing of Satellite Imagery

In May the first slides of satellite imagery (for Rivne Oblast) arrived in Ukraine and officially cleared customs. At this point in time, the Project and ULRMC were prepared to move forward with processing the imagery into updated base maps and distribution to the ULTI subcontractors. Unfortunately, the State Service for Geodesy, Cartography, and Cadastre has been unable to process its internal paperwork to officially approve the use and processing of the imagery, resulting in a complete halt to all processing of the data. The problems seem to lie with Mr. Makarenko, the director of the State Service, who is unwilling to take a decision whether the resolution of the imagery complies with requirements of the Ukrainian state secrecy laws. In spite of many documents clearly showing that the IRS imagery is within the legal requirements of the law, the State Service has not issued an opinion approving the use of the imagery for project purposes.

An alternative to the approval from the State Service is to obtain a similar approval from the Ukrainian Department of Defense. This strategy presents some serious risks, because it is not certain that the Department of Defense will agree that the imagery meets the legal requirements. If the Department of Defense rules against the use of the imagery, then it is certain that Makarenko, the newly appointed director of the State Service, will not approve use of the imagery.

Threatened Termination of Survey Subcontracts

As a result of the Project's verification activities related to issuance (distribution) of State Acts, a number of private survey firms have contacted the team threatening to terminate their contracts. The rationale is that they cannot work under the terms of our contract and make a profit. It has become apparent to the Project team that our public education campaign is closing off the ability of private survey firms to collect sums of money from land share holders in addition to the fees that the Project agrees to pay. Without this extra income, the firms claim they cannot make a profit, and therefore, will terminate the contracts with the Project.

The situation poses an interesting and challenging set of problems. First, the Project team believes that \$4.00 per State Act (land share) does not cover the real cost of land titling activities. Open and honest discussion between the Project team and a number of private survey firms has revealed that the true cost of land titling (i.e., the entire scope of work to conduct geodetic work and prepare all technical documentation for issuing State Acts) appears to be approximately 35 UAH. This information led the Project team to propose to USAID the modified payment structure, under which the Project pays 35 UAH (\$6.60) for each land share (not tied to the number of State Acts issued). This change in payment policy would allow the Project to continue inform the public that the Project is paying all the costs of land titling and that land share holders should not pay any money for the preparation and issuance of their State Act.

Second, the threats by private firms to terminate contracts with the Project have allowed the Project to learn much more about the level of corruption and payola inherent in the current procedure for land titling and State Act issuance. For example, the procedure related to State Land Survey Expertise is rife with corruption. In many oblasts, a fee of three percent is collected from the land survey firm for state expertise that is never conducted. The calculation of the fee is often done incorrectly and in violation of existing legal norms, overcharging the payee for the purported expertise. Another example shows that Derzhkomzem authorities illegally take the authority to register State Acts from the local radas, and charge land share holders an illegal fee of five UAH for registration of each State Act. The Project is documenting these illegal actions and is taking appropriate action where possible.

The Project team believes that a modification to the payment policy will help to resolve many of the issues at the heart of these threats, but is fully aware that not all problems will cease with an increase in payment to private survey firms.

For this reason, the Project understands that its intensive public education campaign must continue in the future. However, the Project can conduct its campaign openly, only if a clear payment policy is adopted and each private firm is explicitly informed of the new policy with an explanation of the consequences of violating the terms of the contract with the Project.

Other Issues

Continued Investigations into activities of ULT Project and its private contractors.

In June, investigations by the State Security Service (SBU) into the ULT Project's activities and those of its subcontractors continued. The ultimate goal of the investigations is not completely clear at this time. The Project team suspects that Derzhkomzem in Kiev is the main instigator of the SBU's actions, but there is no clear evidence to support this suspicion. As previously reported, the department of land resources in Khmelnytsky received a letter from the SBU requesting information on the Project and its financial activity under the Law "On Combating Organized Crime in Ukraine." The fact the letter was sent on the basis of this law is quite threatening to the Project and its subcontractors, and reeks of intimidation and harassment. **The Project team requests a meeting with USAID officials with regards to this particular letter and the continuing escalation of investigation activities into the Project activities, its finances, and those of the private contractors that work with the Project.**

IV. NEXT MONTH'S GOALS

Agricultural Land Titling

1. Review of the Tier 3 Tender bids after July 10, 2002 and begin contract negotiations with selected bidders.
2. Implement the appropriate actions that correspond with USAID's decisions related to the open tender packages. **It has been over two months since the Project has asked for an official decision from USAID on these open issues. The lack of a decision from USAID is causing serious disruption in the Project's ability to implement its work and has resulted in substantial delays in beginning land titling work in several oblasts. Continued delay in taking a decision on these outstanding issues will result in more delays in implementation of the Project and its land titling work. Ultimately, the delays will have a budgetary impact on the Project and its ability to meet its task order requirements within the time frame of the Project.**
3. Work with the State Service for Geodesy, Cartography, and Cadastre to resolve the outstanding issues relating to the approval to process the satellite imagery for the first oblast (Rivne). Place the order for the purchase of imagery for the remaining oblasts.
4. Conclude the cooperation agreement with ULRMC on use and processing of satellite imagery.
5. Continue to cooperate with the World Bank on coordination of land titling project activities. Pursue the sharing of costs for legal consulting services related to drafting of laws required by the new Land Code.
6. Work with the appropriate Ukrainian agencies and NSDI to implement the concept for establishment of a national system for cadastral numbering in Ukraine.

Non-agricultural Land Titling

1. Conduct 2-3 site visits to regional offices to improve NALT performance and issuance of State Acts on land sales.
2. Assist local radas interested in conducting land auctions in implementing the strategy using the Project's model regulation on land auctions and tenders.
3. Conduct local seminars on non-agricultural land sales for enterprises and local governments.

Legal and Regulatory Work

1. Prepare the draft Law on Allocation of Land Shares in Kind for submission to the Agrarian Committee of the Verkhovna Rada by July 4, 2002.
2. Prepare the draft Law on State Survey Expertise for submission to the Agrarian Committee of the Verkhovna Rada by July 4, 2002.
3. Prepare the draft law on Private Farmers for submission to the Agrarian Committee of the Verkhovna Rada by July 10, 2002.
4. Begin planning two seminars in cooperation with the State Institute for Law and AED for lawyers on land related issues. One seminar to be held in the East and one in the West of Ukraine.

Public Education and Outreach

1. Sign Cooperation Agreement with the Governor in Lviv oblast on July 1, 2002.
2. Organize seminars for heads of village radas in Vinnitsa, Kharkiv, and Lugansk oblasts.
3. Organize Press Clubs in various oblasts where the Project works and intensify the public information campaign on radio and television (the media vehicles that seem to be reaching the public successfully).

4. Begin distribution of project posters and leaflets in villages where the Project works on land titling.
5. Coordinate the signing of Cooperation Agreements in other oblast where interest exists. Recently, there have been requests for information from Mykolaiv, Odessa, and Khmelnytskyi oblasts for information on the Project and its activities and the possibility of the Project working in those oblasts.

**USAID Ukraine Land Titling Project
Summary Report for Quarter No. 2, 2002
Addendum to June 2002 Monthly Report**

The following table shows the actions required under the ULT Project Work Plan approved by USAID in August 2001 and the progress of the ULT Project to achieve those goals during the last quarter (April 2002 to June 2002).

Summary of Actions for Past Quarter and Previous Quarters

Ongoing Project Management	Recap of Activities in Previous Quarters	Quarter 2, 2002
Sign contract with USAID	Signed on June 22, 2001	N/A
Establish Project bank account	Completed in March 2002.	N/A
Mobilize project team	Completed in July 2001	N/A
Establish local office	Office established and lease signed in July 2001	N/A
Hire core local staff	Core staff hired in July/August 2001	N/A
Begin project registration and accreditation	Registration completed on November 22, 2001. Accreditation completed on December 26, 2001.	N/A
Submit monthly report to USAID	Reports submitted each month starting with September 2001	Reports submitted monthly
Submit quarterly report to USAID	Reports submitted quarterly since February 2002 (for Quarter No. 4, 2001)	N/A
Submit annual report to USAID	N/A	N/A
Cooperation with Ukrainian Organizations		
Sign MOU between USAID and GOU	MOU signed October 31, 2001.	
Negotiate and sign MOU with Derzhkomzem	No MOU signed. NOTE: in light of the detail found in the MOU between the US Government and the Government of Ukraine signed on October 31, 2001, there does not appear to be any rationale for signing a separate MOU with Derzhkomzem. The relationship between the Project and Derzhkomzem is defined in sufficient detail in the October 31 MOU.	N/A
Negotiate and sign cooperation agreements on project activities with Oblast State Administrations	Thirteen cooperation agreements signed by the Project in Sumy, Ternopil, Vinnitsa, Ivano Frankivsk, Chernivtsi, Kharkiv, Poltava, Lugansk, Zaporizia, Kherson, Rivne, Chernigiv, and Zhytomyr.	No cooperation agreements were signed in Quarter 2, 2002.
Consult with Ukrainian organizations on identification of areas in which to launch tenders for work supporting preparation and issuance of State Acts	Two tenders have been conducted; one in December 2001/January 2002 and a second in March 2002. Oblast departments of land resources identified work areas for tenders.	In cooperation with oblast departments of land resources, a third tender was announced on June 20, 2002. The tender includes about 450,000 land shares. Some of these land shares come from tender packages that were not filled in the two previous tenders.
Ongoing identification of areas for streamlining of technical and legal procedures affecting the preparation and issuance of State Acts	Legal assessment completed in September 2001. New set of Methodological Recommendations relating to land titling and issuance of State Acts prepared in December 2001. Model regulation related to privatization of non-agricultural land and the issuance of State Acts prepared in February 2002. Legal analysis of the new Land Code prepared in February 2002. Sumy Technical Requirements for agricultural land titling prepared and enacted in April 2002.	Prepared comments to a number of draft laws required by the new Land Code. Prepared position papers on most of these drafts. Also prepared a model procedure for conducting land auctions.

Agricultural Land Titling Activities		
Analyze current technical and legal procedures for preparation and issuance of State Acts	The team prepared an analysis of the legal and technical procedures that identified areas that can be simplified and streamlined. The Project's draft Methodological Recommendations were prepared based on this analysis.	No movement by Derzhkomzem on the Methodological Recommendations. The Project is now working with the Agrarian Committee of the Verkhovna Rada to introduce a Law on Allocation of Land Shares in Kind for a vote.
Develop model contract for preparation and issuance of State Acts based on existing technical and legal requirements	The Project developed a model contract to use when contracting with private survey firms for land titling work.	N/A
Establish regional verification teams	Two regional verification teams were established in October 2001. One team is located in Sumy and the second team is located in Ternopil. Both teams actively conduct verification of the work of private land survey firms that contract with the Project to prepare State Acts.	N/A
Collect baseline data on Agricultural Land Titling	Baseline data on the number of State Acts issued as reported by Derzhkomzem and the number of State Acts actually issued, as reported by independent information gathers was collected in July 2001. The figures were sent to USAID in August 2001 showing a 25 to 30 percent over-reporting by Derzhkomzem.	Updated baseline figures collected in Quarter 2, 2002.
Identify private survey firms with "pre-prepared" State Acts and negotiate contracts with those firms for such work.	By agreement with Derzhkomzem and USAID, the Project will not enter into any additional contracts for "pre-prepared" State Acts. The total number of State Acts covered under "pre-prepared" State Act contracts is approximately 250,000.	N/A
Preparation and issuance (including verification by ULTI Project regional teams) of "pre-prepared" State Acts.	As of March 31, 2002, the Project has financed the issuance of a total of 214,597 "pre-prepared" State Acts.	No additional pre-prepared State Acts issued with financial assistance of the Project in Quarter 2, 2002.
Identify raions in which to launch tenders for new work to support preparation and issuance of State Acts	Two tenders covering nearly 750,000 land shares were announced in previous quarters. Unfortunately, poor response to the second tender has left some 32 work areas open (representing about 320,000 land shares).	In June 2002, the team announced a third tender for about 450,000 land shares. Many of the work areas are those that remain open from previous tenders.
Launch tender for new work supporting preparation and issuance of State Acts	See box above.	See box above.
Analysis of tender submissions from private companies	See box above.	Tier 3 Tender responses are due in the ULTI office on July 10, 2002. Analysis and negotiations with private survey firms will occur immediately after this date.
Negotiate contracts with private companies	See box above.	The team hopes to have contracts in place with all winning bidders from the Tier 3 Tender by the end of August 2002.
Sign Contracts with Private Companies	See box above.	See box above.
Field and office work for preparation and issuance of State Acts	The Project team is conducting field work in 3 oblasts: Sumy, Poltava, and Ternopil.	Field work began on farms in Chernigiv, Vinnitsa, Zhytomyr, and Lugansk during the quarter.
Update data on Agricultural Land Titling	Updated data was submitted to USAID in Quarter 1, 2002.	N/A.

State Acts issued (by quarter)	214,597 State Acts have been issued with Project assistance.	Approximately 217,000 State Acts have been issued with Project assistance. The first 2,000 State Acts from the Tier 1 Tender have been issued. NOTE: The Project expected to assist with issuance of 550,000 State Acts to agricultural land by this date. The goal was not achieved mainly due to problems and delays in signing the MOU and Derzhkomzem's complaints about the Project's work on "pre-prepared" State Acts.
Non-agricultural Land Titling Activities		
Collection of baseline material on current status of Non-agricultural Land Titling activity	This work was completed in August 2001	During Quarter 2, 2002, the NALT Team undertook an impact study to measure the benefits of land privatization and issuance of State Acts to enterprises that purchase their land on the businesses. Findings were reported in June 2002 as part of a written report and a presentation to USAID officials.
Update Non-agricultural Land Titling Activity	N/A	The non-agricultural data base for land sales and issuance of State Acts is updated each month as regional coordinators report the sales and State Acts issued with their assistance.
Develop model incentive based contract for regional coordinators on privatization of Non-agricultural land and issuance of State Acts	Contract was developed during Quarter No. 3, 2001	N/A
Negotiate and sign incentive based contracts with regional coordinators for privatization of Non-agricultural land and issuance of State Acts	Regional Coordinators agreed to the model incentive based contracts in Quarter No. 3, 2001.	N/A
State Acts issued	As of February 28, 2002 the non-agricultural component of the Project assisted with the issuance of 1946 State Acts.	As of May 31, 2002 (No figures are available yet for June 2002) the Project assisted with the issuance of 3,085 State Acts to Non-Agricultural land. NOTE: The Project expected to assist with issuance of 5,400 State Acts to non-agricultural land by June 30, 2002. No figures for June are available as yet, but it appears unlikely that the Project will meet this target. Of the many reasons for the shortfall, the main ones are: lack of money on the part of enterprises to pay for land, lack of political will in many local radas to approve privatization sales, and bureaucratic obstacles in the preparation and issuance of State Acts.
Legal and Regulatory Reform Activities		
Conduct legal assessment of laws and regulations affecting the preparation and issuance of State Acts, and protection of rights to private ownership of land	Legal assessment was completed in September 2001	N/A
Present USAID report of findings from legal assessment	The report was presented to USAID in September 2001	N/A

Proposals to improve Agricultural Land Titling Procedures	Proposals to simplify and improve land titling procedures were drafted and presented to USAID in September 2001. Methodological Recommendations on simplifying agricultural land titling procedures were drafted and given formally to Derzhkomzem, Ministry of Agrarian policy, and the Ukrainian Academy of Agrarian Sciences in December 2001.	N/A
Proposals to improve Non-agricultural Land Titling Procedures	Proposals to simplify and improve land titling procedures were drafted and submitted to Derzhkomzem in August 2001. Model regulation on non-agricultural land sales and issuance of State Acts (to simplify these procedures) was drafted and given to Derzhkomzem in December 2001.	The team prepared a model regulation on the procedure for conducting land auctions and tenders.
Preparation of Model Regulation on procedure to privatize Non-agricultural land	The Regulation was drafted and presented to Derzhkomzem in December 2001. The team will work with Derzhkomzem and other Ukrainian authorities to promote the enactment of this regulation at the Cabinet of Ministers level.	The team has begun an initiative to enact this model regulation at the local level through city radas. The team is currently working with Rivne city to enact such legislative act locally.
Working group on Titling Guidelines	Working group was officially formed and approved in March 2002.	No meeting of the working group has occurred yet. In June 2002, the legal team submitted a list of issues that should be considered by the working group to USAID and the Cabinet of Minister's Coordinating Council for Agrarian Issues.
Public Education/Outreach		
Develop public education/outreach strategy	The public education team continues to modify its approach to dissemination of information to both rural target audiences and urban target audiences based on the ever-changing situation. As such, it believes that a final strategy document would quickly be obsolete. The Project proposes to keep USAID updated on public education activities as they occur in keeping with the general plan of the USAID approved work plan.	N/A
<i>Agricultural Land Titling Issues</i>		
develop brochures and pamphlets	A series of three pamphlets and one brochure dealing with agricultural land titling issues, legal rights of owners of land share certificates, land leasing, and other issues was developed in Quarter No. 4, 2001. A poster announcing the operation of the project in villages of Ukraine was also prepared.	A fourth pamphlet on agricultural land issues was developed. The team prepared an issue of the magazine "New Courier" that dealt solely with land issues and the development of the land market in Ukraine.
distribute public education materials	Distribution of the above mentioned public education materials began in November 2001.	Distribution of public education material continues through various entities: the Farmer's Association, private volunteer deliverymen, and official channels (government officials, oblast officials, etc.).
sponsor radio program	The Project began sponsoring a daily radio program aimed at rural citizens on February 1, 2002. The team also works regularly with the Silsky Chas television program to publicize the project's activities.	Work continues in this regard.
work with Private Farmer's Assn. newspaper	The team signed a cooperation agreement with the Farmer's Association in November 2001. The Project works together with the Association on its monthly newspaper, on distribution of important public information on land titling issues, and on the organization of seminars, press conferences, and other educational activities.	Work with the Farmer's Association continues. The Project was co-sponsor of the Annual Private Farmer's Congress on June 14, 2002 and participated at the meetings by making presentations relating to project activities.

conduct seminars for local officials	The team began conducting seminars for local officials and media on the Project in December 2001.	The team held regional seminars in a number of oblasts to explain both the agricultural and non-agricultural land titling components of the Project. Large seminars were held in Kharkiv, Sumy, Chernigiv, Vinnitsa, and other oblasts.
<i>Non-agricultural Land Titling Issues</i>		
prepare information for enterprises	A brochure explaining the benefits of non-agricultural land privatization was prepared and distributed to all regional coordinators for use in assisting with privatizing non-agricultural land in October 2001. A brochure aimed at the local rada officials explaining the benefits of land privatization and land sales was developed in March 2002.	The team prepared the NALT How-To Manual describing the process of land sales and issuance of State Acts and distributed this manual to regional coordinators, local officials and enterprise managers. The team also prepared a model regulation on land auctions for local radas.
distribute information to enterprises	Regional coordinators distributed the pamphlets to local officials and interested entrepreneurs to stimulate the privatization of non-agricultural land.	Distribution of Project materials continues via regional coordinators.
conduct seminars/press clubs	The regional coordinators hold regular press conferences and local seminars to promote the privatization of non-agricultural land. In addition, many regional coordinators have appeared on television and radio to promote the importance of land privatization and the assistance offered by the ULT Project.	The regional coordinators hold regular press conferences and local seminars to promote the privatization of non-agricultural land.
ULRMC Cooperation		
Draft preliminary scope of work	The Preliminary scope of work was drafted and submitted to USAID in August 2001.	N/A
Preliminary scope of work approved by USAID	The scope of work was approved by USAID in September 2001.	N/A
Draft Cooperation Agreement between ULTI and ULRMC and final scope of work	A draft cooperation agreement between the two Projects exists (along with a finalized scope of work) but was not been signed because of problems with registration of both Projects and problems with ULRMC obtaining a waiver of source of origin for the satellite imagery purchase.	Drafts of these documents are prepared, but not yet signed.
Place purchase order for satellite imagery	Purchase order was placed in March 2002, after receipt of the source waiver from USAID.	Second purchase order will not be made until all approvals for the first set of imagery is obtained from the Ukrainian Government.
Import satellite imagery into Ukraine	No imagery available in Quarter 1.	First set of imagery for Rivne oblast is in Ukraine and has passed through customs.
ULRMC orthorectification of satellite imagery	No imagery available in Quarter 1.	No processing of imagery has occurred because ULRMC has not yet received the necessary approvals from the Ukrainian Government to process the imagery.
Distribute processed satellite imagery to project contractors	N/A	See box above.
Gender Issues		
Conduct analysis of gender issues relating to issuance of State Acts	No work on analyzing the affect of gender on land titling issues has been conducted, mainly because very few State Acts have been issued (due to delays in signing of the MOU between the US Government and the Government of Ukraine).	Some gender issues were considered as part of the NALT impact study conducted in Quarter 2, 2002. Preliminary results show that genders biases do not seem to exist in land titling in Ukraine.

Environmental Issues		
Work with ULRMC to develop environmental monitoring plan for land titling issues	In March 2002, the USAID Bureau Environmental Officer visited Ukraine and prepared an assessment of the potential negative impacts of land privatization on the Ukrainian environment. Preliminary indications are that no adverse impacts exist and that only some minimal suggestions for mitigating actions by the Project need to be taken. Official notification of results of this trip and the BEO's findings has not been received. Depending on the recommendations of the BEO, environmental guidelines for the ULTI Project may change.	N/A
Support ULRMC in gathering data to establish baseline for environmental monitoring plan	See box above.	N/A

Issuance of State Acts in May 2002

